

SCHEDULE CC — CONSOLIDATED COMMITMENTS AND CONTINGENCIES

*Throughout these instructions, **you** and **your** refers to the reporting savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.*

COMMITMENTS OUTSTANDING

Report all commitments outstanding that will close in your name. In the case of securities held by an agent, report commitments made on your behalf.

In reporting commitments to originate loans on CC280 through CC310, do not include the portion of refinancings, including wrap-around loans, that will not involve your disbursing cash. Report only the amount you will disburse. Do not report the gross commitment amount.

Report commitments to purchase or sell loans or securities on CC320 through CC370 on a gross basis. Do not net commitments to sell against commitments to purchase, even if the commitments are for the same or similar investments and even if no cash will be disbursed or received. For example, report a commitment to swap mortgages for mortgage pool securities as a commitment to sell mortgages and purchase mortgage pool securities, even though no cash will be involved in the transaction. Do not include resale agreements accounted for as financings.

UNDISBURSED BALANCE OF LOANS CLOSED (LOANS-IN-PROCESS EXCLUDING LINES OF CREDIT)

Report loan distributions on loans closed, but not disbursed.

Include:

1. All undisbursed amounts relating to construction loans reported on SC230, SC235, and SC240.
2. Loans disbursed according to a specified schedule or upon completion of specified terms.
3. Loans awaiting completion of certain contractual terms prior to disbursal.
4. Loans where you have executed the documents but have not yet disbursed loan proceeds.

Do not include:

1. The undisbursed portion of open-ended lines of credit, including home equity loans.
2. Borrower's advances or deposits that are reported on SC710, Deposits, or SC783, Escrows.

CC105: Mortgage Construction Loans

Report undisbursed amounts – loans-in-process – on mortgage construction loans of the types reported on SC230 through SC240.

CC115: Other Mortgage Loans

Report the undisbursed balance of closed-end permanent mortgage loans of the types reported on SC250 through SC265.

CC125: Nonmortgage Loans

Report the undisbursed balance of closed-end nonmortgage loans of the types reported on SC300 through SC330.

TO ORIGINATE MORTGAGES SECURED BY

Report outstanding commitments made to builders, owners, or purchasers of real estate to originate mortgage loans that will close in your name, classified by the type of property securing the loan.

CC280: 1-4 Dwelling Units**CC290: 5 or More Dwelling Units****CC300: All Other Real Estate**

Report outstanding commitments to originate mortgage loans on nonresidential property and land.

CC310: TO ORIGINATE NONMORTGAGE LOANS

Report outstanding commitments to originate nonmortgage loans that will close in your name.

CC320: TO PURCHASE LOANS

Report outstanding commitments to purchase whole mortgage and nonmortgage loans and participating interests.

CC330: TO SELL LOANS

Report outstanding commitments to sell whole mortgage and nonmortgage loans and participating interests.

CC340: TO PURCHASE MORTGAGE POOL SECURITIES

Report outstanding commitments to purchase mortgage pool securities of the types reported on SC210 and SC215.

CC350: TO SELL MORTGAGE POOL SECURITIES

Report outstanding commitments to sell mortgage pool securities of the types reported on SC210 and SC215.

CC360: TO PURCHASE INVESTMENT SECURITIES

Report outstanding commitments to purchase investment securities of the types reported on SC130 through SC150, SC180, and SC185.

CC370: TO SELL INVESTMENT SECURITIES

Report outstanding commitments to sell investment securities of the types reported on SC130 through SC150, SC180, and SC185.

LINES AND LETTERS OF CREDIT:**UNUSED LINES OF CREDIT:**

Report all unused lines of credit that you issue in connection with credit cards or open-end loans, including those secured by a mortgage, equity loans, or other collateral. **Unused lines of credit** are defined as the difference between the amount authorized by contract and the actual amount outstanding at quarter-end.

Do not include loans-in-process on constructions loans; report construction LIP on CC105.

CC410: Open-End Consumer Lines**CC420: Commercial Lines**

LETTERS OF CREDIT

Report the undrawn portion of outstanding letters of credit at the end of the quarter. Do not report any other type of commitment. Report most other types of commitments on CC280 through CC370.

There are two classifications of letters of credit:

1. A **commercial letter of credit** is one where the issuer expects to pay drafts or other demands for payment.
2. A **standby letter of credit** is one where the issuer stands ready to pay in the unexpected event that the customer defaults or fails to perform on the underlying contract with the third party.

Do not include unused lines of credit.

CC430: Commercial

Report the undrawn portion of commercial letters of credit.

CC435: Standby, Not Included on CC465 or CC468

Report the undrawn portion of all standby letters of credit not included on CC465 or CC468. Include both collateralized and uncollateralized standby letters of credit.

RECOURSE OBLIGATIONS AND DIRECT CREDIT SUBSTITUTES

There are two ways to report recourse obligations and direct credit substitutes:

- The entire principal amount of the assets covered by a recourse obligation, on CC455.
- The amount of the recourse exposure on CC465, for direct credit substitutes, and on CC468, for recourse obligations.

CC465 plus CC468 will be equal to CC455 only in those cases where you have 100% recourse on all recourse obligations.

CC455: TOTAL PRINCIPAL AMOUNT OF OFF-BALANCE-SHEET ASSETS COVERED BY RECOURSE OBLIGATIONS OR DIRECT CREDIT SUBSTITUTES

Report the outstanding principal balance of assets you cover, fully or partially, by recourse obligations or direct credit substitutes. See 12 CFR § 567.1. In general, direct credit substitutes support financial claims on an account party or represent agreements to absorb credit losses on all or part of a third-party asset pool.

Include:

1. Assets covered by your recourse obligations, letters of credit, and other agreements, both collateralized and uncollateralized, to cover credit obligations of an account party.
2. The full amount of assets covered by your recourse obligations, requiring you to absorb credit losses on assets held by a third party.
3. The full amount of assets covered against credit losses by financial-guarantee type standby letters of credit or other direct credit substitutes covering the full amount or a subordinated portion of an asset pool that you issued.
4. The full amount of assets protected by your direct credit substitute – financial-guarantee type standby letter of credit – or recourse obligation to absorb credit losses up to some percentage of the asset pool. Such subordinated positions may represent the obligation to absorb credit losses up to a multiple of expected loss, thereby potentially exposing you to the same dollar credit loss as if you guaranteed the entire pool. Report the amount of such subordinated positions plus more senior, protected, portions of the pool.
5. Assets held in a trust or spread account for which you have an obligation to absorb credit losses through holding a nonsecurity financial instrument under SFAS No. 140 or other agreement.

Do Not Include:

1. The insured portion of loans insured wholly or partially by government agencies. If the FHA or VA insures 80% of a loan, report only 20% of the outstanding loan. Do not report the insured portion.
2. Portions of asset pools where third parties must share losses on a pro-rata basis. Do not report the portion of an asset pool where a third party must absorb the same portion on a pro-rata basis. Stated differently, do not report the portion of an asset pool if you do not have to absorb a set amount of loss before the third party begins to share losses.
3. Losses reported as liabilities in Schedule SC.
4. Loans swapped for a security if you retain the entire security on the balance sheet.

CC465: AMOUNT OF DIRECT CREDIT SUBSTITUTES ON ASSETS IN CC455

Report outstanding amount of recourse **exposure** from direct credit substitutes, defined in 12 CFR § 567.1, on third-party assets included on CC455. The amounts reported on CC465 and CC468 represent the extent of the recourse exposure, as opposed to the outstanding principal balance of the asset reported on CC455.

Include:

1. The face amount of direct credit substitutes (financial-guarantee type standby letters of credit) you issue that covers the full amount of losses on a third-party asset pool.
2. The face amount of direct credit substitutes (financial-guarantee type standby letters of credit) covering a non-pro rata share of credit losses (a subordinated loss position) on a third-party asset pool.
3. Certain nonsecurity financial instruments under SFAS No. 140 on spread accounts and other third party asset pools.

**CC468: AMOUNT OF RECOURSE OBLIGATIONS ON ASSETS IN
CC455**

Report the maximum amount of recourse obligations on off-balance-sheet assets reported on CC455. This is the maximum contractual **loss exposure** from the retention or assumption of credit risk. The amounts reported on CC465 and CC468 represent the extent of the recourse exposure, as opposed to the amount of the outstanding principal balance of the assets reported on CC455.

CC480: OTHER CONTINGENT LIABILITIES

Report all contingent liabilities that you do not report elsewhere in this schedule.

CC490: CONTINGENT ASSETS

Report all contingent assets not reported elsewhere.